

B. In the Claims

Please amend claims 1, 8, 12-14, 24-27, and 29-30, and add new claims 33-70 as set out below.

1. (Currently Amended) A computer-aided method for to manage cash flows for a transaction, the method including the steps of:

receiving respective descriptions of risks;

receiving statistical assumptions for said risks;

receiving financial assumptions for said risks;

calculating, from the descriptions and the assumptions, expected cash flows corresponding to said risks for time periods;

receiving actual cash flows information from occurrence of events corresponding to said risks;

accounting for a first party to the transaction owing ~~the~~ expected cash flows to a second party to the transaction;

accounting for the second party owing ~~the~~ actual cash flows to the first party; and

computing a net settlement, for each of said time periods, between the parties in the transaction to manage the actual cash flows and the expected cash flows.

2. (Original) The method of claim 1, wherein the step of receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with contractual exposures from respective insurable risk coverage of individuals.

3. (Original) The method of claim 1, wherein the step of receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with

respective contractual insurable risk exposure to individuals.

4. (Original) The method of claim 1, wherein the step of receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with contractual exposures from corporate-owned life insurance coverage of individuals.

5. (Original) The method of claim 1, wherein the step of receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with contractual exposures from bank-owned life insurance coverage of individuals.

6. (Original) The method of claim 1, wherein the step of receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with corporate contractual benefit payment exposures to individuals.

7. (Original) The method of claim 1, wherein the step of receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with contractual exposures in a reinsurance treaty.

8. (Currently Amended) The method of claim 1, wherein the step of calculating expected cash flows includes the step of processing said descriptions and said assumptions in calculating timing and amounts of benefits associated with said occurrence of events for the risks; and wherein the step of computing the net settlement includes the step of inputting further including receiving pricing data reflecting said transaction as an exchange between said parties; and wherein the step of computing the net settlement is responsive to said exchange between the

parties.

9. (Original) The method of claim 8, wherein the step of inputting pricing data includes the step of:

inputting a definition of a relationship between the expected cash flows and the actual cash flows reflecting a symmetric exchange of non-proportional contractual exposures.

10. (Original) The method of claim 8, wherein the step of inputting pricing data includes the step of:

inputting a definition of a relationship between the expected cash flows and the actual cash flows reflecting a symmetric exchange of proportional contractual exposures.

11. (Original) The method of claim 8, wherein the step of inputting pricing data includes the step of:

inputting a definition of a relationship between the expected cash flows and the actual cash flows reflecting an asymmetric exchange of proportional and non-proportional contractual exposures.

12. (Currently Amended) The method of any one of claims 2-6, further including the steps of:

processing responsive to receiving financial information on data reflecting
securitizing of funding for the contractual exposures; and

processing the financial information on securitizing to implement securitization of
the funding.

13. (Currently Amended) The method of claim 12, further including the step of calculating the an impact of the transaction on the securitizing.

14. (Currently Amended) The method of claim 13, further including the step of calculating the impact of the transaction on traunches for the securitizing.

15. (Original) The method of claim 14, further including the step of determining an effect of said transaction on a securitization pool.

16. (Original) The method of any one of claims 2-7, wherein the step of receiving respective descriptions of risks includes receiving nominal death benefit face amounts for said contractual exposures; and

wherein the step of receiving statistical assumptions includes receiving expected mortality rates; and further including the steps of:

incorporating margins and loadings in developing expected mortality rates for the transaction; and

determining expected timing and expected amount of death benefits using said expected mortality rates and said characteristics of said risks associated with said contractual exposures.

17. (Original) The method of any one of claims 2-7, wherein the step of receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with at least one member of a group consisting of a plurality of individuals and a group

of individuals.

18. (Original) The method of claim 17, wherein the step of receiving respective characteristics of risks associated with said member of the group includes receiving at least one characteristic from a group consisting of age, sex, mortality rating, morbidity rating, compensation, position, job class, and years of service.

19. (Original) The method of claim 1, wherein the step of receiving statistical assumptions includes receiving rates of decrement.

20. (Original) The method of claim 1, wherein the step of receiving statistical assumptions includes receiving rates of decrement associated with insurable risk coverage of individuals.

21. (Original) The method of claim 1, wherein the step of receiving statistical assumptions includes receiving rates of decrement associated with insurable risk exposures to individuals.

22. (Original) The method of claim 1, wherein the step of receiving statistical assumptions includes receiving rates of decrement associated with a reinsurance treaty.

23. (Original) The method of any one of claims 19-22, wherein the step of receiving financial assumptions includes receiving at least one of a group consisting of a discount rate, an expense, and a fee.

24. (Currently Amended) The method of any one of claims 19-22, further including the step of updating at least one of a member of a group consisting of said, descriptions, said statistical assumptions, said financial assumptions, and said actual cash flows information from the occurrence of at least one of said events.

25. (Currently Amended) The method of claim 16, wherein the step of receiving actual cash flows information from occurrence of events corresponding to said risks includes receiving information on actual timing and actual amounts of death benefits, respectively for each of said individuals.

26. (Currently Amended) The method of claim 25, further including: wherein the step of computing a net settlement further includes tracking the expected timing and the expected amount of death benefits, respectively for each of said individuals; tracking the actual timing and the actual amounts of death benefits; and tracking net settlements for the time periods of the transaction.

27. (Currently Amended) The method of claim 16, wherein the step of computing a net settlement includes 26, further including forming a historical record of the expected timing and the expected amounts of death benefits, the actual timing and information on the actual amounts of death benefits, respectively for each of said individuals, and each said net settlement for each of said time periods.

28. (Original) The method of claim 16, further including the steps of:
providing the second party with documentation of said cash flows; and
illustrating a transaction fee from the second party to the first party, including
illustrating said transaction fee incorporated in the net settlement.

29. (Currently Amended) The method of claim 16, further including the step of:
accounting for the first party receiving a fee for early termination of the transaction.

30. (Currently Amended) The method of claim 16, further including the step of
receiving data identifying the second party as an entity having ownership rights to said contractual
exposures, and said contractual exposures are on more than one life of said individuals.

31. (Original) The method of claims 16, further including the step of receiving data
identifying the transaction as pursuant to a contract binding the parties.

32. (Original) The method of claim 31, further including the step of receiving data
identifying the transaction as having a portion renewable on a period-to-period basis.

33. (New) Apparatus comprising:
a computer system comprising a digital computer operably connected to an input
device, a memory, and an output device, the computer programmed to implement the operations
of:
receiving respective descriptions of risks;
receiving statistical assumptions for said risks;

receiving financial assumptions for said risks;

calculating, from the descriptions and the assumptions, expected cash flows corresponding to said risks for time periods;

receiving actual cash flows information from occurrence of events corresponding to said risks;

accounting for a first party to a transaction owing the expected cash flows to a second party to the transaction;

accounting for the second party to the transaction owing actual cash flows to the first party; and

computing a net settlement based on the expected cash flows and the actual cash flows, for each of said time periods, between the parties in the transaction to manage the actual cash flows and the expected cash flows.

34. (New) The apparatus of claim 33, wherein the receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with contractual exposures from respective insurable risk coverage of individuals.

35. (New) The apparatus of claim 33, wherein the receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with respective contractual insurable risk exposure to individuals.

36. (New) The apparatus of claim 33, wherein the receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with contractual exposures from corporate-owned life insurance coverage of individuals.

37. (New) The apparatus of claim 33, wherein the receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with contractual exposures from bank-owned life insurance coverage of individuals.

38. (New) The apparatus of claim 33, wherein the receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with corporate contractual benefit payment exposures to individuals.

39. (New) The apparatus of claim 33, wherein the receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with contractual exposures in a reinsurance treaty.

40. (New) The apparatus of claim 33, wherein the calculating expected cash flows includes processing said descriptions and said assumptions in calculating timing and amounts of benefits associated with said occurrence of events for the risks; further comprising the operation of receiving pricing data reflecting said transaction as an exchange between said parties; and wherein the computing the net settlement is responsive to said pricing data.

41. (New) The apparatus of claim 40, wherein the receiving pricing data includes the operation of:

receiving a definition of a relationship between the expected cash flows and the actual cash flows reflecting a symmetric exchange of non-proportional contractual exposures.

42. (New) The apparatus of claim 40, wherein the receiving pricing data

includes the operation of:

receiving a definition of a relationship between the expected cash flows and the actual cash flows reflecting a symmetric exchange of proportional contractual exposures.

43. (New) The apparatus of claim 40, wherein the receiving pricing data

includes the operation of:

receiving a definition of a relationship between the expected cash flows and the actual cash flows reflecting an asymmetric exchange of proportional and non-proportional contractual exposures.

44. (New) The apparatus any one of claims 34-39, further including the operation of processing responsive to data reflecting securitizing of funding for the contractual exposures.

45. (New) The apparatus of claim 44, further including the operation of calculating impact of the transaction on the securitizing.

46. (New) The apparatus of claim 45, further including the operation of calculating the impact of the transaction on tranches for the securitizing.

47. (New) The apparatus of claim 46, further including the operation of determining an effect of said transaction on a securitization pool.

48. (New) The apparatus of any one of claims 34-39, wherein the receiving respective descriptions of risks includes receiving nominal death benefit face amounts for said contractual exposures; and

wherein the receiving statistical assumptions includes receiving expected mortality rates; and further including the operations of:

incorporating margins and loadings in developing expected mortality rates for the transaction; and

determining expected timing and expected amount of death benefits using said expected mortality rates and said characteristics of said risks associated with said contractual exposures.

49. (New) The apparatus of any one of claims 34-39, wherein the receiving respective descriptions of risks includes receiving respective characteristics of said risks associated with at least one member of a group consisting of a plurality of individuals and a group of individuals.

50. (New) The apparatus of claim 48, wherein the receiving respective characteristics of risks associated with said member of the group includes receiving at least one characteristic of age, sex, mortality rating, morbidity rating, compensation, position, job class, and years of service.

51. (New) The apparatus of claim 33, wherein the receiving statistical assumptions includes receiving rates of decrement.

52. (New) The apparatus of claim 33, wherein the receiving statistical assumptions includes receiving rates of decrement associated with insurable risk coverage of individuals.

53. (New) The apparatus of claim 33, wherein the receiving statistical assumptions includes receiving rates of decrement associated with insurable risk exposures to individuals.

54. (New) The apparatus of claim 33, wherein the receiving statistical assumptions includes receiving rates of decrement associated with a reinsurance treaty.

55. (New) The apparatus of any one of claims 51-54, wherein the receiving financial assumptions includes receiving at least one of a discount rate, an expense, and a fee.

56. (New) The apparatus of any one of claims 51-54, further including the operation of updating at least one of said descriptions, said statistical assumptions, said financial assumptions, and said actual cash flows information from the occurrence of at least one of said events.

57. (New) The apparatus of claim 48, wherein the receiving actual cash flows information from occurrence of events corresponding to said risks includes receiving information on actual timing and actual amount of death benefits, respectively for each of said individuals.

58. (New) The apparatus of claim 57, further including the operations of:

tracking the expected timing and the expected amount of death benefits, respectively for each of said individuals;

tracking the actual timing and the actual amount of death benefits; and
tracking net settlements for the time periods of the transaction.

59. (New) The apparatus of claim 57, wherein the computing a net settlement includes forming a historical record of the expected timing and the expected amount of death benefits, the actual timing and the actual amount of death benefits, respectively for each of said individuals, and each said net settlement for each of said time periods.

60. (New) The apparatus of claim 48, further including the operations of: providing, to a computer of the second party, documentation of said cash flows; and illustrating a transaction fee from the second party to the first party, including illustrating said transaction fee incorporated in the net settlement.

61. (New) The apparatus of claim 48, further including the operation of accounting for the first party receiving a fee for early termination of the transaction.

62. (New) The apparatus of claim 48, further including the operation of receiving data identifying the second party as an entity having ownership rights to the contractual exposures and wherein said contractual exposures are on more than one of life of said individuals.

63. (New) The apparatus of claim 48, further including the operation of receiving data identifying the transaction as pursuant to a contract binding the parties, and

processing responsive to said data identifying the transaction.

64. (New) The apparatus of claim 53, further including the operation of receiving data identifying the transaction as having a portion renewable on a period-to-period basis.

65. (New) Apparatus comprising:

a computer system comprising a digital computer operably connected to an input device, a memory, and an output device, the computer programmed to implement the operations of:

receiving respective descriptions of risks associated with contractual exposures from respective insurable coverage of individuals;

receiving statistical assumptions for said risks;

receiving financial assumptions for said risks;

calculating, from the descriptions and the assumptions, expected mortality cash flows corresponding to said risks for time periods;

receiving actual mortality cash flows information from occurrence of events corresponding to said risks;

accounting for a first party to the transaction owing the expected mortality cash flows to a second party to the transaction;

accounting for the second party to the transaction owing the actual mortality cash flows to the first party; and

computing a net settlement based on the expected mortality cash flows and the actual mortality cash flows, for each of said time periods, between the parties in the transaction to

manage the actual mortality cash flows and the expected mortality cash flows.

66. (New) The apparatus of claim 65, wherein the calculating expected mortality cash flows includes processing said descriptions and said assumptions in calculating timing and amounts of benefits associated with said occurrence of events for the risks; further comprising the operation of receiving pricing data reflecting a symmetric exchange of non-proportional contractual exposures; and wherein the computing the net settlement is responsive to said pricing data.

67. (New) The apparatus of claim 65, wherein the calculating expected mortality cash flows includes processing said descriptions and said assumptions in calculating timing and amounts of benefits associated with said occurrence of events for the risks; further comprising the operation of receiving pricing data reflecting a symmetric exchange of proportional contractual exposures; and wherein the computing the net settlement is responsive to said pricing data.

68. (New) The apparatus of claim 65, wherein the calculating expected mortality cash flows includes processing said descriptions and said assumptions in calculating timing and amounts of benefits associated with said occurrence of events for the risks; further comprising the operation of receiving pricing data reflecting an asymmetric exchange of proportional and non-proportional contractual exposures; and wherein the computing the net settlement is responsive to said pricing data.

69. (New) The apparatus of any one of claims 33-43, 51-54, 64-68, wherein the

computer system includes a second digital computer, said computers cooperating to carry out the transaction.

70. (New) A computer-readable memory medium comprising instructions being executed by a computer, the instructions including a computer-implemented method to manage cash flows for a transaction, the instructions for implementing the steps of:

receiving respective descriptions of risks;
receiving statistical assumptions for said risks;
receiving financial assumptions for said risks;
calculating, from the descriptions and the assumptions, expected cash flows corresponding to said risks for time periods;
receiving actual cash flows information from occurrence of events corresponding to said risks;
accounting for a first party to the transaction owing the expected cash flows to a second party to the transaction;
accounting for the second party owing actual cash flows to the first party; and
computing a net settlement, for each of said time periods, between the parties in the transaction to manage the actual cash flows and the expected cash flows.